Project Summary

STRATEGIES FOR THE SOCIO-ECONOMIC DEVELOPMENT OF METIS AND NON-STATUS INDIANS IN SASKATCHEWAN

Thorne Stevenson & Kellogg
Management Consultants

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Project Report

SUMMARY OF THE FINAL REPORT

STRATEGIES FOR METIS AND NON-STATUS INDIAN ECONOMIC DEVELOPMENT IN SASKATCHEWAN

Prepared for

The Indian and Native
Affairs Secretariat
Government of Saskatchewan
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Prepared by

R.S. Hikel
Principal

Brian Corbishley
Partner

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I

INTRODUCTION

This is a summary of a 114 page document on economic development strategies for Metis and non-Status Indians in Saskatchewan; which was prepared for the Saskatchewan government's Indian and Native Affairs Secretariat by Thorne Stevenson & Kellogg, the national management consulting firm.

The document is based on data from many sources:

- Interviews with 350 respondents. The majority of these were Natives involved in some way with the issue. This included 61 Native businessmen. Non-Native businessmen and municipal, provincial and federal government officials were also interviewed. The majority of the interviews were conducted by five Natives hired by the Secretariat for this task.

- Data on Metis and non-Status Indians from the 1981 Census.

- Evaluations of the Employment Opportunities, Special ARDA and various educational programs for Natives; and other provincial programs intended to promote economic development.

- Descriptions of current programs and future plans relevant to Native economic development, prepared by eight provincial government departments and Crown corporations.

- Academic studies.

- Submissions from Native organizations.

- A special report on means to employ more Natives in the private sector prepared by Mr. Alfred Levin of the Royal Bank.

- Native economic development planning documents prepared by consultants and officials of the previous provincial government.

Discussions with Secretariat staff established the policy framework for the development of strategies. The main points of this framework are:

- The economic development effort must be lead by and receive its primary energy and initiatives directly from Native people themselves.

- The strategy for Native economic development must be consistent and compatible with the government's overall economic development strategy; and in harmony with efforts for the development of treaty Indians resident on reserves.

- Equal emphasis must be given to the development of opportunities for Natives as employers and employees.

- The public sector should play a steadily diminishing part in this process; withdrawing as Natives themselves achieve greater success.

- Natives should not have to sacrifice their cultural identity for the sake of economic progress.

- It is readily understood that, just as with non-Natives, some Native citizens will be unable to provide for themselves and their families. Public assistance and social services will continue to be available for them.

- Natives have and retain the right to develop both individually and as members of groups which they establish.

- The ultimate policy aim is for Natives to acquire, through their own efforts so far as possible, the educational, social and financial resources necessary to achieve their own life objectives.

- The achievement of social development objectives will be served by stronger and more successful economic development. Indeed, economic development is a precondition for the realization of many social objectives.

Anyone having questions about research methodology, data sources or other items is referred to the full report.

We wish to express our appreciation to the Secretariat and other government and private sector officials who took more time for this project than they could afford. A special word of thanks also goes to the staff of the Regina office of Statistics Canada.

Finally, we acknowledge with respect and affection the contributions made by the Native people of Saskatchewan. We hope the report has caught both the substance and the spirit of their words.

II

THE STATE OF THE METIS AND NON-STATUS INDIAN LABOUR FORCE: THE 1981 CENSUS

The 1981 Census significantly under-represented Metis and non-Status Indians. Therefore, the data must be used with great caution, especially that for smaller communities. But the statistics on indicators like participation in the labour force, employment and income are based on a large enough population to be considered representative.

A. POPULATION DISTRIBUTION

The Metis and non-Status Indian population is distributed very unevenly across the province. Two of the 18 Census Divisions (Regina area and the north) hold 57% of the recorded population and five others hold most of the remainder.

Census Divisions with High Metis and non-Status Indian Population

		1981 Population
-	Division 18 - Northern Saskatchewan	8,830
-	Division 6 - Regina and district	3,465
-	Division 11 - Saskatoon and district	2,295
-	Division 15 - Prince Albert and district	1,905
-	Division 17 - Meadow Lake/Turtleford area	1,180
-	Division 16 - North Battleford/Shell Lake and area	925
-	Division 14 - Nipawin/Tisdale area	590
	Total	19,190

Source: 1981 Census

Of these seven districts, one is northern, three are primarily urban (Regina, Saskatoon and Prince Albert) and three are primarily rural (Meadow Lake, Shell Lake/North Battleford, and Nipawin/Tisdale). Aggregating the population into urban, rural and northern regions gives this result:

		%
Urban:	7,665	(35.5)
Rural:	5,090	(23.6)
Northern:	8,830	(40.9)

Given this uneveness, a regional approach to development planning and eventually service delivery makes a good deal of sense. It is possible to concentrate available resources on a few designated areas and still reach the bulk of the target population.

Both the occupational barriers and opportunities in these three regions are distinct enough to justify classifying and planning programming in this way. This division is also consistent with the federal cost-sharing available under Special ARDA and the Economic and Regional Development Agreements which will be negotiated in 1984.

B. MOBILITY

Census data are available, fortunately, on both status and non-status Indians and Metis for the 1976 and 1981 Census.

Comparing the five year period 1976 to 1981, it is clear that Saskatchewan Metis and non-status Indians had a higher rate of mobility than either status Indians or non-Natives. The technique used in the 1981 Census is essentially to determine which persons ("movers") have and have not ("non-movers") moved since the 1976 Census. Those who have moved are in turn divided into those who moved but remain in the same Census sub-division (non-migrants) and those who in 1981 lived in a new Census sub-division (migrants).

Exhibit B-1

MOBILITY
1976 - 1981

	Movers	Non-movers	Migrants	Non-migrants
	%	%	%	%
	(Percentage of the total population 5 years and over)			
Metis	58.3	41.7	20.8	37.4
Status Indians	45.7	54.3	18.8	26.9
Non-Native people	43.9	56.1	22.2	21.8

Source: SP46CD23CSD064, P.87

As can be seen in Exhibit B-1, the incidence of non-Native and status Indian movement and non-movement are almost identical at 43.9% and 45.7%. Compared to these, the Metis rate of movement is almost 25% higher; and their rate of non-movement almost 25% lower, as shown in Column two. On the other hand, about two-thirds of the Metis who moved remained in the same Census sub-division. About half the non-Native movers and 60% of the status Indians changed from one sub-division to another.

This suggests that even though Metis were substantially more likely to move, these moves were more likely to be within a given community or area. Non-status Indians and non-Natives were less likely to move; but if they did move the change covered more distance.

Several different explanations would fit these data. But the most likely one is that, lacking reserves, Metis and Non-status Indians are moving **within** a region where they have permanently settled. Status Indians are more likely to be moving from a rural or northern reserve to an urban area.

This also suggests that Metis and non-status Indians are relatively less likely than status Indians to require urban adjustment and social integration programs.

C. LABOUR FORCE ACTIVITY

There are substantial differences between the Metis and non-status Indians and status Indians in their labour force performance.

Of those status Indians of labour force age (15 and over), only about 40% were in the labour force, that is either working or looking for work. This can be compared to almost 50% of the Metis and non-status persons in the labour force.

For non-Natives, the comparable figure was 64%.

Metis and non-status unemployment was also lower than for status Indians, but the differences are smaller than for the participation rate. The Metis and non-status rate calculated by the Census was 16.4%, as compared to 18.9% for status Indians.

The differences are especially evident in the major cities.

Labour force activity in Regina — 1981 Census.

Exhibit C-1

	Non-Native	Metis	Status Indian
Participation rate	70.7%	60.1%	49.4%
Unemployment rate	4.1%	14.4%	24.0%

Source: SP46CD23CSD064, P.89.

In urban areas, Metis unemployment is substantially lower than for status Indians. In rural areas it is also lower, but the differences are less marked. In the north (Census Division 18) Metis and non-status unemployment is slightly higher (16.7% compared to 16.0%).

These data suggest that, for the Metis and non-status residents at least, employment strategies are likely to be more successful in urban areas.

D. TYPES OF WORK

Let us now turn to an examination of the types of work activity for those Natives actually employed, including status Indians. Here, because of data limitations, the labour supply behaviour of all Native categories and non-Native will be compared to non-native persons.

Of the 32,250 Native people aged 15 and above, 15,305 or 47.5% reported some type of work in 1980. Another 16,945 or 52.5 % did not work that year. This compares to 68.1% of the non-Native population who worked and 31.9% who did not in 1980. To increase the number of Natives who worked to the same percentage as non-Natives would require an additional 6,658 Natives with employment. This represents about a 1.5% addition to the total number actually employed in the province in 1980.

But even if this change were achieved, Natives would still be working substantially fewer hours per year in comparison to non-Natives. This is so because the Natives who do work are employed on average for much shorter periods of time, as shown in Exhibit D-1.

Exhibit D-1

Length and Types of Work in 1980

Period Employed	Natives		Non-Natives	
	Full Time	Part Time	Full Time	Part Time
1-13 weeks	2,510 (16.4%)	1,240 (8.1%)	21,505 (4.6%)	28,290 (6.1%)
14-26 weeks	2,175 (14.2%)	605 (3.9%)	33,220 (7.1%)	22,330 (4.8%)
27-39 weeks	1,440 (9.4%)	325 (2.1%)	29,445 (6.3%)	12,380 (2.6%)
40-48 weeks	1,715 (11.2%)	245 (1.6%)	45,960 (9.8%)	14,055 (3.0%)
49-52 weeks	4,645 (30.3%)	410 (2.7%)	229,370 (49.1%)	30,160 (6.5%)
Total: Full Time	12,485 (81.5%)		359,500 (77.0%)	
Part Time	2,825 (18.5)		107,215 (23.0%)	

Source: SDN81B35, pp 326-340.

It will be noted that the largest single group among both Natives and non-Natives is the full-time category employed 49-52 weeks. But the non-Native percentage (49.1%) is two-thirds larger than the Native percentage (30.3%), for those having the most stable and potentially most beneficial employment. At the other end of the spectrum, 16.4% of the Natives but only 4.6% of the non-Natives had full-time employment of 1-13 weeks duration. Some 30.6% of Natives who worked full-time in 1980, had 26 weeks or less of employment; while for non-Natives the comparable figure was 11.7%.

The same pattern emerges, somewhat more weakly, on the part-time side. That is, for slightly more Natives than non-Natives, part-time work lasted 26 weeks or less. Non-Natives have about twice the proportion of workers with part-time jobs lasting 49-52 weeks.

On the other hand, the pe centage of working Natives having full-time employment is slightly higher (81.5%) than the percentage of non-Natives in full-time jobs (77.0%). It follows, of course, that the percentage of Natives having part-time jobs (18.5%) is **less** than the number of non-Natives in that category

(23.0%). This may be because of the under-representation of Natives in such large part-time fields as fast foods and retail sales.

So the picture which emerges is of Natives having, if anything, a **higher** percentage of persons in full-time jobs. But these jobs last for substantially shorter periods than for those non-Natives working full time. Natives tend to be hired either for relatively short or for relatively long periods. Non-Natives tend much more strongly to be hired for longer periods. But it is important to note that, public perceptions notwithstanding, a third of the Native labour force is working permanently full-time. This suggests the existence of two somewhat distinct groups in the Native labour force.

One has permanent, full-time work and in that sense resembles the majority of non-Native workers. The other is distinguished by having only temporary employment. The available data do not indicate the extent to which the interruption of employment is because the jobs are temporary or because of voluntary withdrawal from the labour force. This is a crucial question which deserves further study. Finding strategies to extend the length of the employed periods and shorten the periods of dependence on transfer payments depends on knowing the answer.

E. FAMILY STATUS AND INCOME

In the 1981 Census there were a total of 245,735 families in Saskatchewan. These families were classified as follows: husband/wife families without children; husband/wife families with children; lone parent families. Of these three types, husband/wife families with children had the highest average income, ($28,923), husband/wife families without children were next at $22,540 and lone parents were last at $15,366. Taken separately, both Native and non-Native family incomes also decline, in this order. And the range or percentage difference between the lone parents at the bottom and in-tact families at the top is about the same: roughly 100%. But there the similarities stop, as an examination of these data will show:

Exhibit E-1

Non-Native Family Income

	(%)	Number	Mean Income
Total number 233,385			
In-tact with children	56.1	130,915	$29,583
In-tact, no children	35.2	82,190	$22,712
Lone Parent	8.7	20,270	$16,547

Source: CDN81B51, pp 84-85.

Native Family Income

	(%)	Number	Mean Income
Total number 12,370			
In-tact with children	58.2	7,200	$16,938
In-tact, no children	14.6	1,805	$14,692
Lone Parent	27.2	3,365	$ 7,951

Source: CDN81B51, pp 84-85.

The Native and non-Native differences show up most clearly with lone parents. While 8.7% of the non-Native families are in this group, the Native percentage is more than three times as high, 27.2%. On the other hand, the proportion of in-tact Native families without children, that is those with both a husband and wife present but no kids, is less than half the non-Native percentage. These differences have important implications. There are proportionately many more Native women with dependent children and no spouse, for whom entry into the labour force is especially difficult. Further, there is a correlation between single parenthood and low income. The close relationship between the female-headed family and low income is evident in Exhibit E-1: the average income for Native lone parents is the lowest for the six categories. To quote Blanche Bernstein, a leading United States authority on the issue:

> ". . . the formation and continuation of the intact family (father, mother, and children) was the most important single factor in preventing dependency".[1]

Both the failure of unions producing children to become stable families and high family break-up increases the welfare roles, contributes to the high rate of school dropouts, juvenile delinquency and drug use. While there are no firm Saskatchewan data to support this view, it seems probable that the rather high incidence of males outside stable family situations, which is implicit in the lone parent data, is a factor contributing to instability in male labour supply performance. And these factors in turn all contribute to subsequent difficulties in forming permanent labour force attachments by the children of these families.[2]

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1. The Politics of Welfare, Abt Books, Cambridge, Massachusetts, 1982, p.2.

2. Native Economic Conditions In Regina and Saskatoon, Stewart J. Clatworthy and Jeremy Hull, Institute of Urban Studies, Winnipeg, 1983, p. 109.

While one-third of the non-Native families have no dependent children, less than 15 percent of the Natives are without this responsibility. Many of the in-tact families without children are the so-called "young marrieds"; those recently married, with both spouses working to build up savings before starting a family. The relatively small proportion of Natives in this category - two potential wage earners and no dependents - obviously reduces their per capita family income.

Non-Native intact families on average in 1980 had annual income that was about 75% more than for Native intact families. And, of course, Native families have an average of more children per family; so the per capita family income is even more disadvantageous for Natives.

Non-Native lone parent income is almost as high as that for two-parent Native families with children. In other words, the average non-Native single parent brings in about the same income as do both parents in intact Native families. Perhaps more than any other single statistic, this illustrates the relative disadvantage faced by even the most stable Native families.

Finally, of those Natives of labour force age in 1980, 23,755 had income and 8,500 or 35.8% had none. In the same year, of the non-Natives of labour force age, only 15.9% had no income (source: CDN81B41A, pp 372-375). So not only was the income for Natives who had any substantially lower than for non-Natives; but failure to enter the labour market and earn income at all was over twice as high for Natives as for non-Natives.

The impact of family status on labour supply is an issue which deserves further study. But there is already ample anecdotal evidence indicating the negative impact that fluid family situations have on job performance. To some degree, improved work prospects and increased earned income will strengthen family relationships. But this is a two-way relationship. A review and strenghthening of Department of Social Services programs which have some prospect of reducing the rate of non-formation and breakup would, if successful, increase the chances of improved labour supply performance, especially by male heads of household.

A strategy of improving Native family stability should be a major social development component of the overall economic development program for Metis and non-status Indians. In particular, it is recommended that services be targeted on the residents of the main urban centres. This is in part based simply on the need to focus scarce resources; but also on the probability that migration to urban areas and residence there induce pressures increasing marital breakup.

F. PLACE OF RESIDENCE AND INCOME: URBAN INCOME IS HIGHER

Native private household incomes in the seven Census divisions with substantial Metis and non-status Indian population, in descending order are:

Division 15 (Saskatoon)	$16,181
Division 18 (North)	$15,868
Division 6 (Regina)	$15,327
Division 15 (Prince Albert)	$15,311
Division 14 (Nipawin/Tisdale)	$14,375
Division 17 (Meadow Lake/Turtleford)	$14,121
Division 16 (North Battleford/Shell Lake)	$13,227

Place of residence in the province does make a difference to Native income, including status Indians. The 1980 provincial average private household income for Natives i.e. the income of all those living in a single non-institutional residence regardless of their relationship, was $14,888. North Battleford was the only individual city for which separate figures are available which had a figure below the provincial average, $14,225.

Taking just the cities themselves out of their surrounding districts has the effect in all cases except for Saskatoon of increasing the average incomes. Here are the figures for the cities, with the city and district figures in parantheses:

Regina	$16,210 ($15,327)
Prince Albert	$17,294 ($15,311)
North Battleford	$14,225 ($13,227)
Saskatoon	$15,910 ($16,181)

As will be noted with Saskatoon, the urban/rural differential is quite small.

Prince Albert had the highest Native household income, exceeding Regina's by 6.3% and Saskatoon's by exactly 8%. While interesting, without further study these inter-city differences are probably too small to have any clear significance.

The rural districts, on the other hand, generally fall below the provincial average income. It should be noted that the average income for the North (Division 18) was also above the provincial average: $15,868. This figure, however, may be influenced by higher incomes for on-reserve status Indians. Therefore, there is reason to conclude that on average, urban rather than rural residence has meant greater income for Metis and non-Status Indians in particular.

Still, it appears that urban residence has the potential, over time, for substantial increases in the Native opportunity for earned income.

Source: 1981 Census, SDN81B63B, pp 33-36.

G. SUMMARY

The picture of the Metis and non-status Indian labour force which emerges from the 1981 Census data is dominated by these characteristics:

- There were 12,225 persons of labour force age. Of these, half were in the labour force (working or looking for work) and half were not in the labour force. This compare to 40% of the status Indians and 64% of the non-Natives who were in the labour force. Metis and non-status participation was 30.4% below the non-Native rate.

- Metis and non-status Indian unemployment (those in the labour force but having no jobs) was 16.3%. This compares to 18.9% for status Indians and 4.1% for non-Natives. Metis and non-status unemployment was almost four times higher than for non-Natives.

- Obviously, therefore, Metis and non-status labour force membership, while below that of non-Natives, is a lesser problem than unemployment. So while there is a need to increase the number of Metis and non-status persons entering the labour force, there is a greater need to increase the successful placement of those already in the labour force and looking for work.

- Of those Natives who are working, only 30% have permanent full-time employment. The other 70% worked less than 49 weeks or had part-time jobs. This compares to half the non-Natives who had permanent full-time jobs.

- Income for Native families with children was only 57.3% of that for non-Native families with children. Income for Native lone parents was only 48% of that for non-Native lone parents. These figures reflect both the lower levels of Native participation and employment and lower wage and salary rates.

- Overall, Native average Census family income was 54.4% of non-Native average Census family income in Saskatchewan.

These data indicate four major problems with the Metis and non-status Indian labour force.

- A low level of entry into the labour market in search of work.
- Among those who do look for work a high rate of unsuccessful job search; which in turn depresses the rate of entry into the labour force.
- For those who do find a job, a high rate of temporary employment; which also discourages job search.
- Overall, a lower rate of earned income, which is divided among the members of families larger than the average for non-Natives.

Strategies must be identified in response to each of these specific problems.

III

PROGRAM DELIVERY ISSUES

A review of provincially-funded programs directly or indirectly supporting Native economic development pointed to two major problems. The first is that Programs tended to have either a "hard" focus, stressing concrete achievements and operating on the basis of commercial considerations; or a "soft" social development focus with less tangible benefits but a great potential impact on the underlying causes of Native under-development.

The latter tend to be criticized by central government agencies for not being able to clearly demonstrate their value; and sometimes for being too reliant on third party delivery.

The former receive criticism from Natives for being bureaucratically rigid, insensitive to Native culture and having criteria which are difficult to satisfy.

A better combination of the two approaches, such as Saskatchewan Power Corporation's Headstart program has, is somewhat more likely to:

- fit the requirements of the present state of Native development;
- avoid the pattern of critical re-evaluation and abrupt termination or re-structuring of programs;
- earn and keep the confidence of central government agencies, the Native community and the private sector.

The second problem concerns the need to involve the provincial government with a wider range of other agencies, including municipal governments, Native local and provincial organizations, and the Native and non-Native private sectors, in the more coordinated and sustained development of Native potential.

In particular, there is a need to involve the private sector **directly** with Native businesses and managers.

If this more extensive approach is followed, the paper raises the possibility of designating one or more agencies to lead or coordinate delivery of support programs.

An agency to **lead** the process of Native economic development should:

- Act as a catalyst to bring Natives, the private sector, governments, the news media and educational institutions effectively together.

- Operate on sound commercial principles, while pursuing public policy ends.
- Offer Natives some degree of direct participation in management and delivery of the resources allocated for Native services.
- Be able to attract and hold capable professional staff, both Native and non-Native.
- Be fully accountable for the public and private funds it uses.
- Be conditioned by and sensitive to Native culture, values and the dignity of native Canadians.

Candidates include the Department of Tourism and Small Business or a new extra-governmental agency, such as the Native Development Centre which is defined in Chapter VI.

It may well be that no single agency can meet all the criteria; in which case the government may wish to consider the use of more than one agency, including the non-governmental ones, to lead and coordinate the process of development.

IV

OPINIONS ON DEVELOPMENT STRATEGIES:

FIELD INTERVIEWS

We will now turn to a review of the opinions, primarily by Natives, about the development efforts to date.

A. THE METHODOLOGY

The field staff conducted interviews with 304 persons from a variety of backgrounds, as follows:

Native business persons	61
Non-Native business persons	59
Municipal government elected and appointed officials	30
Federal government officials	6
Native social service organizations	49
Native political organizations	44
Unemployed Natives	10
Community leaders	30
Provincial government officials	15
Total	304

About 75 percent of the respondents were Natives, virtually all Metis and non-status Indians. A few treaty Indians permanently resident off-reserve were also included.

Each respondent was guaranteed confidentiality; and therefore in reporting their words no names are given. In some cases their identities are masked by the descriptive information provided.

Five Native interviewers were hired by the Secretariat. By background the interviewers were a businessman, a social worker, a resource management officer and trapper, a university graduate in business administration and a community worker. Each one was assigned to a geographic region of the province with which they were familiar. About 40% of the interviews were done in the north, with the rest divided evenly between rural and urban respondents. Interviews were conducted in a Native language at the respondent's request.

The interviews focused on: assessments of the current programs supporting Native socio-economic development and ideas on what can be done in future to improve the prospects for successful development.

We have chosen here to highlight selected responses.

B. NATIVE BUSINESS OPERATORS

1. An overview

The field staff interviewed 61 Native businesspersons in the following areas:

Primary production (trapping, fishing, hunting, wild rice)	14
Miscelleneous	9
Building trades and supplies	8
Retail outlets	9
Farming	4
Trucking	4
Automotive service	3
Camping/Outfitting	3
Logging and lumber	3
Personal services	4
	61

Annual gross revenues of these businesses ranged from $1,500 to $1.2 million; capital assets ranged from $2,200 to $350,000. These firms had a total of 353 employees, averaging almost 6 per firm. Of these employees, about a third were identified as seasonal and another third part-time. The remainder were full-time. Geographic distribution was as follows: 13 urban (Regina, Saskatchewan, Prince Albert, Yorkton), 18 rural and the remaining 30 Northern.

The general stores, cafes, and other retail operations are primarily in northern areas. Many presumably enjoy monopoly or semi-monopoly status in their communities. The data suggest a reluctance or inability to sustain such businesses in areas of substantial competition. A large number of the other northern and rural Natives are in businesses where the primary challenge is nature (fishing, trapping, logging, farming) rather than commercial competitors seeking to sell the same product or service.

On the other hand, building trades, contractors, personal services and the transportation-related businesses (automotive service and trucking) are the dominant urban enterprises. These tend to be fairly competitive businesses, which suggests that a significant number of urban Native business operators can and will face the kind of market challenge not present for farmers, trappers, loggers or retail outlets in monopoly situations.

Respondents for 41 of the 61 firms or two-thirds indicate their present business is their first; 7 of them, or about 11 percent reported at least one earlier business and 13 failed to provide any answer. About ten percent of the returns indicate either a recent business failure or the substantial possibility of failure in the near future.

This profile suggests that Native businesses are concentrated in much the same way and in much the same fields as Native employees.

2. **Native ownership means Native employment.**

Seventy-six percent of the businesses reported that 90 percent or more of their employees were Natives. This, of course, included all those owner-operated companies which had no additional employees; but also applied to a number of larger firms, especially those in northern and rural areas. Urban firms on the other hand were more likely to have a larger number of non-Native employees, especially the larger ones.

In all, of the 353 persons employed in these 61 businesses, 329 or 93 percent, were Native.

Several important conclusions can be drawn.

Clearly, Native entrepreneurs are more likely to hire Natives than are non-Native businessmen. Therefore, a main reason to promote Native-owned business is that it will lead to greater employment opportunities for Native workers. Indeed, the expansion of the Native business sector is likely to be a main source of future Native employment. But several qualifications must be made.

Up until now, the absence of an urban cost-sharing mechanism has meant that most financial assistance went to rural and northern businesses, where the percentage of Native employees is at it's highest.

With the introduction of an urban counterpart to Special ARDA, which is now being negotiated, the number of urban-based Native businesses will likely increase. In the rural and northern areas with high Native populations there is a natural sociological process, which leads to a preference for Native employees. But as businesses increase in urban areas where Natives are a minority, and especially as businesses become larger and more successful, the pressure to hire non-Natives will increase. And the social tensions created by the exclusion of non-Natives will be more acute, especially if businesses are being aided by public funds.

In the past both E.O.P. and Special ARDA gave preference to Native employees without causing any serious community hostility. This will not be so easily accomplished in urban areas.

It is likely that public investment in urban Native businesses will lead in time to larger firms with better paying jobs offering more portable skills. But it is also likely that the proportion of Natives in these jobs will be lower than that now taken by Natives in rural and northern firms. This can be an acceptable trade-off, especially if the government takes steps to ensure that a substantial majority of new better-paying urban jobs are protected for qualified Natives in Native-owned businesses.

The Secretariat should quickly establish it's position on this sensative issue before both an urban ERDA agreement is negotiated and Special ARDA is extended.

C. FUTURE NEEDS

Native business operators identified two major requirements for further development: greater access to capital and more direct management training and assistance.

1. Capital access is a major problem

The problem of capital access is a long-standing and well-known barrier to the further development of Native business ownership. The major complaints involve the failure of any government program to offer more than 50 percent or so of the capital requirements, regardless of the projects' merits; and the reluctance of chartered banks to fill the gap left by inadequate public funding. This problem led one Saskatoon Native entrepreneur to suggest that truly worthwhile projects receive total funding, and that there be more competition **between** Native projects to determine which in fact have the most potential. Another Saskatoon Native entrepreneur said:

> "I have an application pending with .... but I am unable to pursue it because the total amount needed for the expansion is $80,000 and the government agency will only fund $30,000 in the form of a grant. I must approach a financial institution for the remaining $50,000, which I can't afford to do, on the risk of the business going broke. I feel the present system does nothing to advance Native businessmen wishing to expand. The amount of grant money applied for is only a drop in the bucket unless the agency funds the full amount."

The impression of the field staff with business experience was that the unmet capital needs of successful Native-owned firms seeking to expand were especially significant.

2. More management help is needed

What was surprising was the even greater emphasis given by respondents to the need for improvement in management skills. A number of respondents suggested this should be done **before** grants are given and businessmen get in over their heads. As the owner of a rural construction supply firm put it:

> "I would like to see exposure in the business before the Special ARDA grant is given, perhaps six to eight months."

An urban trucking operator said:

> "There should be money management training for businessmen. When people who have never handled large amounts of money all of a sudden have grant money, many cannot manage it and then they learn the hard way. Fortunately, I had a very good relationship with a good bank manager and I succeeded."

Respondents pointed to three specific groups requiring special management support: the first time operator about to enter business, the person running a business in it's first year of operation and the failed businessman seeking to start up again.

A common suggestion was that first-time businessmen should have **ready access** to a great deal of practical management assistance during the first year in a business. The owner of a household services firm in Regina who also stressed the need for pre-business training commented:

> "The government should provide some business training re: marketing, taxes, books and follow businesses closely in their first year, providing direction and support."

Another added:

> "There should be on-going monitoring of funded projects, e.g. accounting services, financial assistance, etc."

A northern store owner-operator with 20 years experience in retail management before going on his own put it thus:

> "Government could help the Native businessman to understand more about basic management skills and general business development."

Two northern businessmen with a large primary producing operation pointed to the need for:

> "Entrepreneur programs for those who request assistance on a first-time basis and also for those whose venture failed in the past."

This last point deserves special emphasis. Most small businesses fail; and Native-owned ones are no exception. But there is no evidence to suggest that the Native failure rate in Saskatchewan is any higher than the rate for non-Natives. And the process of failure can teach lessons which, if learned well, can lead on to later success. This is a natural process in a free enterprise society.

There is some evidence that Natives who have failed in business face more difficulty in getting support when starting over again and taking advantage

of their hard-won lessons, than do non-Natives who have failed. This applies both to funding problems and to finding the right kinds of management support. If so, this is robbing the market place of some experienced entrepreneurs. This is a major issue which deserves study by the Secretariat.

In short, although they put it in different ways, most Native business people agreed on the need for a radical improvement in Native management skills and the amount of hands-on support for managers.

D. NON-NATIVE BUSINESS OPERATORS

The staff interviewed 59 non-Native business operators, ranging from the Saskatchewan general manager of a national chartered Bank, the CEO of a major Crown corporation and the Saskatchewan district sales manager of a multinational firm, to small farmers and trappers in the north.

Banks and other lending institutions	7
Professional firms	3
Miscellaneous	12
Motor vehicle sales and service	8
Transportation	7
Retail sales	6
Trapper	2
Household services	3
Farmers	3
Construction	8
Total	59

1. The general tone is skeptical

The general attitude of the non-Native business responses toward Native economic development can be summarized by this reply from a prominent urban realtor:

> "After many years of giving away money the government has changed the name to Economic Development. The people themselves must start to promote and develop their own growth instead of relying on any government to start. Market studies, hire professionals to study a business venture, rather than approach for money and have the business fail because no homework was done. Native people have in a sense been programed that without government they will fail. Attitudes must change in Native people also."

There was an overwhelming consensus among the 59 non-Native business respondents on what was wrong with current efforts to assist development. Dominant themes included:

- The belief that governments' "handouts" do more harm than good.
- The overwhelming need is for education in general and practical business training in particular.
- Natives must change their own attitudes towards themselves, becoming more aggressive and self-reliant.
- Up until now government "business development assistance" for Natives has been indistinguishable from welfare.
- Skepticism about the interest and motivation of Natives in being businessmen.
- Skepticism about the ability of government to help Natives enter business.
- A belief that there are no successful Native businesses in Saskatchewan.
- A willingness to see the private sector become more involved in developing Native businesses, if it is done properly.
- A stated willingness to hire qualified Natives on the same basis as others.

2. Private sector involvement requires a change in approach

This summary makes one factor quite clear: there is little interest among non-Native members of the private sector in becoming involved in Native economic development unless new approaches are adopted. On the other hand, if government were to use an approach that struck business people as having some chance of success, the possibility of greater involvement would increase. In the words of a Saskatoon business person:

> "The government has spent thousands of dollars on Mickey Mouse training programs in the past. It's time the government got serious in training serious people who are interested in a business venture, by involving private industry for the job training and government for the business training. Together, both may help the Native person get a start in the business world. The Natives have relied on government handouts too long and have an attitude that the government has to give it. It's time the Native person stood on their own two feet and planned their future role, rather than government."

Obviously, Natives will not accept this analysis in total and there are evident differences between the Native and non-Native perspectives on how best to promote Native development. The non-Natives are much more likely to feel that government has too readily given out grants, with no real results. On the question of capital, the non-Native perception is clearly hostile to special provisions for Natives.

3. There is agreement on the need for management training

But on the other main point of need both Natives and non-Natives are in solid accord: the pre-eminent importance of training in the applied problems of business and employment. An urban-based executive in the transportaion field put it this way:

> "... Native people should be economically independent. And there's no reason why they can not be in business like non-Natives. I blame government for providing free hand outs to the Native people and taking away incentives to become self supporting; when its easier to take grants and program money and not be accountable for these monies to the government. I feel government should focus on training Natives in the business areas of bookkeeping, buying, cash flow, etc., and perhaps they would have a better chance in succeeding in the business world rather than failing and the government bailing them out; and then nobody wins."

> "On the job training of Natives in various businesses is needed in order to know the operation in a business and what is involved in starting up on their own. Natives have been given opportunities in business. But due to factors such as lack of knowledge of business, lack of training, lack of follow-up by funding agencies, it failed. And it could have succeeded **if steps were taken prior to receiving the grant."**

E. SUMMARY

Two themes seem worthy of additional emphasis. One is the need for greater coordination of government, Natives and the private sector. A non-Native adult education instructor in the North put it this way:

> "One other way would be to identify the entry qualification of the job and see how many ways a person can enter the position. If they need additional training the community college can prepare these people. **The important thing, though, is to have college, Government and industry sit down and come up with an agreement as to what each is responsible for** (emphasis added)."

This theme of the need to have government, industry and Natives collaborate and find new ways to cooperate was a reoccurring note in the interviews.

The last word goes to a Native woman resident in an urban area. She spoke of the need for training and made a plea for local businesses to "hire a Native once in a while". But then she spoke of her pessimism:

> "Employers will not hire Native people. Even Native girls cannot get hired for waitresses anymore. Native people are very discouraged at even trying to get a job and I can't blame them. If they do get a job they are usually mistreated and demoralized for minimum wages."

The field interviewer then added these comments:

> "I did not know Mrs. L. was a treaty Indian until I interviewed her. She said that her family was encouraged to leave the reserve, move to the city where they would receive a good house, where her children would get educated and find jobs. Instead they have lived in poor houses, the utilities barely work. They contacted the Chief as to their house but they haven't heard a thing. When they went to Indian Affairs they didn't know anything and sent them to the band offices in Saskatoon. They didn't know anything in Saskatoon either.
>
> Her family tried hard to get meaningful jobs but failed. Now they are very discouraged and some have turned to alcohol. One of her daughters put her name on a waiting list to attend the community college upgrading. When she was called Indian Affairs would not sponsor her or pay her tuition and books. Neither would the welfare. Therefore she had to remain on social assistance. She tried all over town for a waitressing job and each time a white girl was hired. They tried hard but they can't take another put down.
>
> Mrs. L. wants to believe things could be better, but she's very skeptical.
>
> There is a lot of room for improvement. So could someone please help?"

There it is; a desire to believe things will get better that is only a little stronger than the fear that they will not.

This is something Mrs. L. shares with many other Natives in Saskatchwan.

Having reviewed present approaches and delivery means, data on how Natives are doing in the labour market and Native opinions on what needs to be done, we can now draw these strands together into some conclusions, including strategies which offer promise for the future.

V

FIVE FINDINGS AND FIFTEEN STRATEGIES

A. FIVE FINDINGS

1. Finding No. One: there are no comprehensive policy goals

Government overall policy objectives in relation to Native economic development are not clearly formulated.

As a result, there are no accepted benchmarks to use in deciding which aspects of the problem it should attack; or standards to use in assessing the impact and success of government activities. Thus, decisions about changes in programming almost always swing on considerations of relatively narrow administrative issues such as the perceived competence of Civil Service managers, the efficiency of bureaucratic processing and variations in the quality of specific program output.

We believe that a new statement of objectives is beneficial, especially if private sector and Native groups are to join with governments in the common pursuit of these.

There are three candidates for this role. Strategies for achieving these are summarized in Exhibit V-1.

a. Increase the Native labour force participation rate

We recommend that the aim be to reduce by some acceptable percentage the gap between the Native and non-Native labour force participation rates in Saskatchewan over the next three to five years. And that within three to five years the government set a target date for reducing this gap to virtually zero.

Priority should go to helping those already looking, to find work. Increasing job search should be a secondary objective.

b. Increase the number of Native-owned businesses

We have estimated the current number of Native-owned businesses in the province at 750-1,000. More sophisticated measures such as number of employees, capitalization or internal rates of return are probably not possible now. Therefore a simple measure of the change in the number of Native-owned businesses will do as a yardstick to determine the overall success of development in the next three to five years.

As time passes, more sophisticated measures of the extent of commercial activity will be possible. An interim step would be to calculate the number of full-time employees in Native-owned businesses.

Again, consultations with line departments could suggest a realistic annual growth rate in the number of businesses. These talks should also focus on finding ways to improve the quality of data held on Native businesses.

c. **Increase the amount of Native private household incomes**

Most Canadians live in families and have access to the incomes of other family members during much of their lives. A household is simply a person or group of persons who together occupy a private dwelling, whether related or not, who do not have a usual place of residence elsewhere.

Native household income was just over half non-Native household income in the 1981 census. It is possible, after consulting with line departments again, to establish a target range for closing the gap between Native and non-Native incomes over the next three to five years by some realistic percentage.

2. **Finding No. Two: the current level of activity will not ensure Native economic growth**

The current level of activity devoted to Native economic development in Saskatchewan is probably insufficient to produce any significant narrowing of the gap between Natives and non-Natives. Indeed, the level of provincial activity devoted to **direct** Native economic expansion may, if anything, be declining somewhat. This is the result of the restructuring of existing programming in response to recent criticism and budget restraint and the absence, so far, of new development initiatives.

One strategic option is to accept this natural trend to less targeted Native programming and hope that the expansion in general small business assistance and economic activity will clearly benefit Natives as well.

Given the currently high unemployment rate and the place of Natives in the economy, this latter hope is a very long shot. Indeed, there is some risk of the gaps mentioned above widening rather than narrowing, especially for Native youths and single parents.

3. Finding No. Three: non-native business people doubt the effectiveness of current efforts

There is widespread skepticism among the non-Native business community about the efficacy of previous attempts to improve the economic standing of Natives; and there is unlikely to be any very widespread or enthusiastic participation in new initiatives unless this skepticism declines.

This attitude is based in part on the natural distrust of subsidies and grants and in part on poor information about what Natives and especially Native businessmen have accomplished so far.

Here is the strategic choice. If government wishes to have the private sector more involved in Native economic development, two changes are required to lay the foundation for this:

- The successes of Native business must be publicized; and contact between Native and non-Native business people expanded.

- Any new thrust must be seen to emphasize Native competence, adequate preparations for entry into business and rewards proportionate to profitability. If government policy is based on these values, the chances of winning wider and more intense involvement by the non-Native private sector will improve greatly.

Thus, a perceived change in the government approach to Native development is a precondition for non-Native involvement in any new efforts.

4. Finding No. Four: Natives doubt they will benefit from developing their skills

Skepticism in the non-Native community has parallels among Natives. But Natives are skeptical about different things. By and large they support the results of Special ARDA, affirmative action and special education programs.

But many Natives, while as hostile as non-Natives to dependency on social assistance, are not certain that if they work to become equally qualified they will actually get an equal shot at the better jobs. And they are skeptical about the willingness of banks and other private sector institutions which lay largely beyond the reach of Native political influence, to treat them fairly.

Finally, many Natives are doubtful about their ability to obtain economic goals without surrendering their cultural identity as Natives.

These concerns can only be relieved by the clear demonstration that they are unfounded; by Natives entering more visible and more highly regarded jobs; by seeing non-Native businessmen actively join in the achievement of

Native economic objectives; and by public and private steps to strengthen Native culture.

5. Finding No. Five: the new approach must coordinate the activities aiding Natives as employees and as owners

Any new approach must give equal emphasis both to Natives as employers and as employees; and the functional connection between these must be reflected in the better coordination of programs supporting each of these. This is so for both practical and symbolic reasons.

Practical reasons include the fact that current efforts are highly compartmentalized. The dependence of Native employment on Native ownership and the importance of preparing for ownership through successful employment could be given greater weight in the way programs are designed and delivered. Different branches and levels of governement tend to specialize in one concern or the other; and in either a "hard" or "soft" orientation. This approach neglects the following:

- A large part of job creation for Natives will result from the growth of Native enterprises.
- The proven way to learn a business is to first work in it as an employee. Native access to more business sectors as employees will improve their success rate as business operators.
- The public visibility of Natives as owners and employers should encourage other Natives to enter and remain in the labour force; and can reduce bias against Natives.

Finally, there is a need to more effectively integrate economic and social development programs for Natives.

B. FIFTEEN STRATEGIES

Here are 15 strategies, recommended by one or more sources during the process of this study, which merit consideration.

1. The development of Native Managers

This is a strategy that serves both employment and business development objectives.

Most Native-owned businesses are owner-managed; so the importance of sound management for their survival and growth is obvious. But there are few Native managers employed in non-Native businesses. This factor no doubt contributes to the limited recruitment of Native workers into

non-Native business. More Native managers would mean more Natives recruited as workers.

More Native management in non-Native businesses is one key to diversifying the range of sectors in which Natives are employed; and in giving Natives more active consideration for promotion, both recruitment and promotion being the prerogative of managers. Making this breakthrough will require very well qualified Native managers.

Alfred E. Levin, formerly a senior official with the Royal Bank of Canada who still advises the Bank on social policy issues put it this way in a paper written specially for this document:

> "There is the view that a candidate who is superbly qualified in both technical and social skills should be selected for the first job. He or she could then be the model for future candidates. This is what happened when Jackie Robinson was hired by Branch Rickey to play for the Montreal Royals as part of the Brooklyn Dodgers baseball club. But Jackie Robinson needed a mentor from the established players to help bring it off -- it was "Peewee" Reese (a Southerner) who did this publicly at a crucial time during a tense moment in a ball game."

The pay-off of having even a few more well-qualified Natives in positions of trust and major responsibility would be considerable, in providing an example to other Natives. It would help to overcome the stereotype of Natives in the minds of some non-Natives. It would also mean a wider pool of more experienced managers available for Native-owned businesses. Some of these managers would opt, at some point, to become entrepreneurs themselves.

2. Job retention strategy

As the 1981 census data makes clear, most natives do hold jobs from time to time; even those who often rely on social assistance and Unemployment Insurance. Up until now the main employment strategy for those having a marginal attachment to the labour force was to put them in short-term jobs and hope this would lead to a permanent job somewhere down the road. This approach is still valid as a response to higher levels of unemployment. But as a strategy for longer-term economic development it makes more sense to keep Natives who already have private sector jobs in those jobs **for longer periods of time;** in short, to lengthen the periods of full-time employment and shorten the periods of reliance on social assistance.

The first step in lengthening the periods of employment is to adopt it as an objective and assign responsibility for its achievement.

Among the many possible means of doing this are:

- changes to the minimum wage structure to provide a significant

incremental step after, say, 20 satisfactory weeks on the job. This could possibly also be adopted on a voluntary basis by interested firms.

- The offer of additional fringe benefits for those staying longer than 20 - 25 weeks in a single job and performing satisfactorily.

- The diversion of social assistance and Unemployment Insurance funds to provide a wage subsidy or top-up to bring the combined wage and supplement well above what the person would receive from "the pogey". This could also result in an immediate savings to the social assistance and UI programs, if it kept even a small number of people actually working longer.

The aim is to break the re-occuring cycle of short-term jobs and welfare, by stretching out the periods of employment so they become longer and longer. The same techniques could be used to attract Natives now working part-time, into full time employment; and to attract those not presently working into part-time work, as a conveyor-belt to full-time work at a later date. We see these three incremental steps: temporary full time to permanent full-time, part-time to full-time, and unemployment to part-time work, as more useful objectives than promoting the re-occuring cycle of temporary jobs and temporary welfare.

3. Job and business diversification strategy

Natives tend to cluster in certain lower-paying and frequently unstable sectors of the economy. These are also sectors that are growing relatively slowly and offering fewer new jobs. Long-term economic development requires that Natives "break out" of these limited areas, into faster growing fields offering at least a degree of greater mobility and earning potential.

Techniques for achieving the strategy would involve first identifying potential employers in the desired fields; and then approaching them to request consideration of more imaginative means of recruiting and retaining Natives.

These methods could include:

- Hiring and training several Natives at once, so that they can provide each other with mutual support and friendly criticism during their first crucial days on the job. Later assignments can easily be made on the basis of individual merit and preference. Production teams and quality control circles use a similar psychology.

- Using the technique mentioned by Al Levin. The first worker in a new sector would be an exemplary employee, both more easily accepted by the existing employees and an example to subsequent Native employees.

The best place to start is in a new business, operation or department. It is harder to introduce "outsiders" into well-established units with traditional norms and values. As Al Levin notes: "any of the 'new breed' coming in to work there are looked upon as threats to the jobs and careers of the established employees so even under the best of circumstances there is unconscious resentment and resistence."

This strategy is, thus, particularly applicable to new ventures such as the Co-op heavy oil refinery. Its implementation will take the cooperation of both the private sector and government departments, to pass on information about new ventures or expansions which would be suitable locations for diversification.

The diversification strategy also is applicable to the Native business owner. But diversification of ownership is more difficult to achieve and merits further analysis by an institution such as the Native Development Centre.

One way to support diversification is to consider the greater use of franchising. Initial capital investments can be relatively low and the prospect of experienced, hands-on guidance before, during and after start-up can make this an attractive arrangement. Other suggestions from the business community to reduce the size of the initial investment and provide management skills include buying into existing businesses, the use of partnerships and joint venture businesses.

4. Increase the number of secondary wage earners

Native households are substantially larger than those of non-Natives; and yet their real incomes are only about 55.7 per cent of non-Native households. Furthermore, more Native families have dependent children and the average number per family is also higher. The low level of household income contributes to family instability and the relative deprivation of Native children.

Non-Native households have been characterized in the past twenty years by a significant increase in the number of secondary wage earners, mostly working wives. Native families have not kept pace and this is one reason for the gap in incomes.

The gap between the incomes of Native and non-Native heads of households is too great to be overcome just by increasing the household head's income. It requires that additional family members go to work, especially part-time work for wives whose children are at school. This will also help by providing a second income as a cushion when the primary wage earner is unemployed.

There have been few steps taken to help Native wives find part-time work; yet the Native female labour force participation rate suggests that they will more willingly work than many males.

This secondary wage earner strategy suggests that one way to make a dramatic upward increase in Native family income is to focus on jobs for wives.

5. The promotion of family stability

The labour market and social cost of Native family instability was discussed above. This is so severe a problem as to deserve being singled out for special emphasis. Family life experts consulted in the course of this study believe that a main cause of instability is isolation of the spouses from the network of community contacts, which is in turn intensified by alcoholism, unemployment and incarceration.

A related cause is the very young age of many Native parents.

This absence of stable family relationships both results from and contributes to weak attachment to the labour force.

This is the single most crucial social development problem to be addressed as part of the economic development process.

Current thinking suggests that community-based assistance involving other stable Native families is more likely to work than a reliance on professionals. This is so complex a problem that Social Services Department officials should be asked to give it's study special priority, so they can recommend concrete steps to promote Native family stability.

6. Seven divisions and three regions: A framework for regional planning

As noted from the census data, Natives are highly concentrated in seven of the provinces 18 census divisions. These seven should be the focus of both regional development planning and a framework for the allocation of funds. Projects located in other census divisions should receive a lower priority.

These seven should be given priority in the negotiation of federal-provincial cost-sharing agreements. This should be followed up with the development of branches of the Native Development Centre in each of these.

As noted above, one of these seven is northern (division 18), three are urban (Regina, Saskatoon, Prince Albert) and three are rural (Meadow Lake/Turtleford area, North Battleford/Shell Lake and area, and Nipawin/Tisdale area.) We propose to call these three regions.

It is reasonable to establish the relative priorities for each of the three regions: northern, rural and urban. This is not meant to indicate that any one of the three is of lesser importance, but to have some basis for the allocation of funds and for the order in which each region is given special emphasis. At the moment, there are no data available on the aggregate developmental expenditures going to each of the three regions; or the districts within these. Finding this out is a legitimate task for the Secretariat, and it is recommended that this be undertaken in fiscal 1984/85.

There are two fundamental and different approaches which can be taken in answering this question of regional priorities. The first is to look at the present level of job search, labour supply and earned income in each region and concentrate on the regions where the need is greatest. In general, this would mean giving priority to the north and rural areas. On the other hand, development opportunities are probably greatest in the urban areas. Further, the urban problems are the most visible and are attracting the most public comment.

7. Municipal strategy

Each of the seven priority divisions has one or more municipal governments which should be the subject of sub-district plans. A substantial amount of provincial dollars already flows to these local governments. Each can reasonably be asked to join with private sector, senior government and Native representatives in the formulation of detailed and practical steps to achieve local development. Municipal governments already have some planning capacity, are close to local concerns and have a realistic sense of what is possible.

In a number of cases in the north, they already have Natives in positions of influence.

Each should be encouraged to develop a plan, in the name of local economic development, to accommodate Native potentialities. The Secretariat should give priority to finding one or two rural and northern communities to set an example for others in these regions, much as the City of Regina has done for the larger centres. A parallel objective should be the increasing assumption by Natives of administrative posts in local governments.

8. Small business strategy

As noted above, there are two main reasons for encouraging Native small business:

- Native-owned businesses are a major source of Native employment.

- They are a key means to the accumulation of Native-owned

assets and increasing Native net worth, both of which are long-term policy objectives.

The key strategic choice is whether Native small businesses require supports beyond those universally available to non-Native entrepreneurs. The answer is that they certainly do, at least in quantity; and possibly in type as well. In short, many Native business operators require a great deal more direct management support than they are currently receiving. So long as government continues to put funds into Native small business it is short-sighted not to protect that investment by improving the chances for competent management.

This strategy encompasses three specific activities:

- Enterprise training which is geared to improve Native skills in recognizing and reacting to potential market demands.

- Management training, which involves the imparting of generic skills needed for the operation of a business and the supervision of staff.

- Management assistance, which is applied help with the solving of daily operational problems.

9. Improve access to capital

This strategy has two parts. The first involves the creation of urban and northern funds which parallel the rural Special ARDA small business fund. ERDA agreements will fill this bill.

The second part is more complex and involves making better use of those capital sources already or perhaps shortly to come into existence. These include:

- ERDA
- Special ARDA
- Industrial and Regional Development Program (DRIE)
- Native Economic Development ($345) Program
- Indian Equity Fund
- Native Economic Development Foundation (proposed by Amnsis)
- Federal Business Development Bank
- Peace Hills Trust
- Chartered banks, Trust companies and Credit unions.

The need is for improved coordination among the numerous potential sources of funds; improved efforts in preparing Natives to use them more effectively; and sustained lobbying by reputable Natives and non-Natives to promote the improved access of qualified Natives to funds.

This latter activity needs to be backed by thorough research and

involve presentations by those who are not immediately looking for loans. Such efforts should be in the direction of increasing the amount of money available for long-term (5-15 year) loans at reasonable rates. It would also be reasonable to broaden the access to funds earmarked for Native development to include those businesses employing significant numbers of Natives, especially in senior management positions; whether or not they are wholly owned by Natives.

This issue of capital access and rationalization of the terms and process of application should be one subject of a major conference involving representatives of potential providers of grants and loans and Native businessmen.

10. The promotion of Native capital accumulation

In the long run one main source of Native development capital should be the savings of Natives themselves. This can be promoted in the short term by the creation of community Banks such as pioneered by the Royal Bank for low income clients. The Native population of Regina is already sufficient to justify such a branch. The same may be true for other rural and northern communities.

In the longer term, a Native-owned credit union or trust company is plausible. In both cases the aim is to strengthen the awareness of and proper use of the banking system; which in turn generates savings which can be re-invested in Native economic development.

Community banks would be created with the active participation of people living and working in the core of the city. They could select the sites, and influence hours of work, services provided and criteria for lending.

This was the course followed by the Royal Bank in Montreal, Toronto, Winnipeg and Vancouver.

Given this practical success elsewhere, the model deserves consideration in Saskatchewan.

11. The increased use of outreach recruitment programs

By this, we mean a variety of special steps to encourage Natives to apply for and remain with private or public sector firms. This approach could encompass but is broader than so-called affirmative action. One of the most successful programs in Saskatchewan is operated by the Co-operators Insurance Company, the largest Canadian-owned multi-line insurance firm. The Cooperators found that being committed in policy to hiring Natives did not result in actual recruitment.

Therefore they chose to take a more direct and proactive approach. This included:

- Placing a staff member at the Canada Manpower Native Employment Centre for one year.

- Developing a two-month pre-employment training program.

- Conducting one-day Native awareness courses for staff 15 times in 1982, involving 372 staff. Since August, 1981, 41 Natives were hired and 24 remain.

The company notes that:

> "The retention rate for those who have gone through the training program is substantially greater than for those who were hired through regular recruiting methods."

The experience of this private sector firm is that special efforts are needed to attract Natives; and that these pay off in improved staff performance. The greatest potential exists in growing areas of the economy.

12. Greater public awareness of Native achievements and opportunities

The relatively limited public appreciation of Native business and labour market achievements is restricting both government and Native options for further development activities. There would be greater sympathy for future efforts if the public had better information about past efforts and accomplishments.

This is also linked to creating a more positive climate in support of Native-private sector collaboration.

The government has a stake in changing the environment. A more positive image of Native economic aspirations will likely stimulate greater efforts by Natives and improve public appreciation of government activity.

Methods include positive references in speeches by government members to achievements and plans and the immediate formation of a Native Businessmen's Association. The establishment and activities of a Native Development Centre could make a major contribution, including holding of conferences of Native and non-Native business people and others to discuss issues and solutions.

The end result should be a healthier self-image for Natives and a reduction in social tension between Natives and non-Natives.

The story to be told is that, by and large, Natives increasingly have the same economic aspirations as non-Natives; and are prepared to work for their achievement.

13. Increasing delivery of development assistance by Natives themselves

This is important as a symbolic demonstration to Natives and non-Natives alike of the growing competence of Natives. Its practical significance

lies in the jobs created for Natives and in the removal of suspicions of cultural bias.

In short, this means an increasing reliance over time on Native leadership at the technical level.

This is not restricted to government positions. Indeed, it can be achieved in large measure by using Native business people as counsellors and advisors to other Natives. As the number of Native-owned businesses increases, this resource will grow in size. The Native Businessmen's Association can play a lead role here. Also, the recommended strategy of promoting Native managers will help lay the foundation for this direct, Native to Native assistance.

This is a mid-term objective. But there is reason for the government to commit itself to this objective now.

14. The leading associations in major sectors of the economy should be asked to develop entry level training/placement programs

The Saskatchewan labour market does demand new workers in response to turn-over and growth. Certain key sectors are well situated to provide entry-level opportunities. The hospitality industry is one such sector.

For example, either the Saskatchewan Chapter of the Canadian Food and Restaurant Association, or individual restauranteurs, could be asked to set up a series of courses several times each year on a re-occuring basis, to train and place qualified Natives. One prominent Regina restaurant owner contacted during the course of this project indicated his willingness to support such a project.

The courses must be open to non-Natives as well; and be as rigorous as required to train fully qualified workers.

- There must be a reasonable prospect of a job for each successful graduate.
- Restaurant managers must be free to terminate the employment of unsatisfactory employees regardless of race.
- The courses should be available for both basic and more advanced skills, as required.

The strategy is to find sectors which have regularly reoccuring manpower needs that can be met with applied training and on-the-job supervision. Greater part-time employment, especially for those under 25 and secondary wage earners should be the primary aim of this strategy.

15. **Increase the number of Natives in the provincial apprenticeship program**

At the end of 1983 there were 4,800 registered apprentices in Saskatchewan, of which an estimated 100 or two per cent, were Natives, including status Indians. Of the 350-500 journeymen a year graduating from the program, very few are Natives. And according to program officials, more is being done with apprenticeship programs on reserves than with Natives living in the towns and cities.

Of the Natives who are in the program, most are in carpentry and are hired on as labourers. There are very few Natives in the potentially more attractive electrical, plumbing and sheet metal trades.

The report outlines a series of steps to cover this under-representation of Natives in the program.

This is a major means of increasing the number of Natives in the more highly skilled trades.

C. THREE DEVELOPMENT MODELS

The report describes three approaches to the implementation of the above strategies:

- Employment-led, increasing Native labour supply as quickly as possible.
- Business-led, with an emphasis on the expansion of existing businesses and the creation of new ones.
- A combined approach with equal weight on each of the above.

The latter is recommended. It has the advantage of a quick impact on the job side, combined with the building of a successful small business expansion in the mid to longer term.

Exhibit V-1

SUMMARY OF KEY OBJECTIVES AND RELATED STRATEGIES

Key Objectives	Develop Native Managers	Job Retention Strategy	Job and Business Diversification	Increase Number of Secondary Wage Earners	Promote Family Stability	Regional Planning
Increase Native Labour Force Participation		X	X	X	X	X
Increase the Number of Native-owned Businesses	X		X			X
Increase the Amount of Native Private Household Income	X	X	X	X	X	X

Exhibit V-1 (Cont'd)

SUMMARY OF KEY OBJECTIVES AND RELATED STRATEGIES

Key Objectives	Municipal Strategy	Small Business Strategy	Improve Access to Capital	Promote Native Savings	Outreach Recruitment	Public Awareness
Increase Native Labour Force Participation	X		X		X	X
Increase the Number of Native-owned Businesses		X	X			X
Increase the Amount of Native Private Household Income	X	X	X	X	X	X

Exhibit V-1 (Cont'd)

SUMMARY OF KEY OBJECTIVES AND RELATED STRATEGIES

Key Objectives	Native Delivery of Assistance	Entry Level Training/Placement	More Natives in Apprenticeship Program
Increase Native Labour Force Participation	X	X	X
Increase the Number of Native-owned Businesses	X		
Increase the Amount of Native Private Household Income	X	X	X

VI

ONE POSSIBLE LEAD AGENCY: A NATIVE DEVELOPMENT CENTRE

The Native Development Centre's mission could be two-fold:

- To make available top-notch management services and technical assistance to Native individuals, corporations and community development associations. This help would be available from the time Natives first decide to go into business until success is achieved. Success is defined as increasing the number of profitable Native-owned busineses; and the total net worth of the companies.

- To work with Native individuals in helping them to prepare for, find and retain permanent, and well-paid employment within the province. This includes an examination of the interaction between social and economic development.

These two objectives would correspond to two separate divisions of the agency, one supporting enterprise, the other employment.

The agency's main activity in both divisions would be to actively promote, and assist development by identifying Natives having the potential for employment and business; and then actively working with these Native people to overcome the barriers to employment and business development in a pro-active, personalized manner.

In the first instance the Centre would help the person to obtain the needed resources from other agencies, whether that was training, management support, career planning or capital. In this role, the Centre acts primarily as an **advocate and facilitator** for Natives with determination and realistic, achievable goals. Helping Natives gain access to the resources required for their success would be the agency's main method of assistance. But where a service gap exists which is not filled by existing agencies and which must be filled to meet the developmental needs of its Native clients, the Centre would seek to persuade qualified agencies to provide the needed service. It could work with delivery agencies, both public and private, to design and implement required supports. In limited instances, the agency itself could arrange for and pay for the services clients require, when no other option exists.

It could purchase services on an individual basis, when this was necessary; and also put out tenders for service on a competitive basis.

In summary, it would:

- Assess the qualifications of Natives interested in a job or a business career;

- On the basis of this assessment, develop an individual plan of action leading to realistic goals; or make referrals to suitable remedial agencies;

- Actively help the applicant to obtain whatever resources are required to implement that person's economic development plan.

- When service or support which is clearly reasonable is not available, intervene on behalf of the individual or group and take special measures as required to remove barriers to further development. This could include seeking corporate or public support.

- Coordinate and integrate the activities of various government and private agencies involved with specific cases. This would be done by developing regional economic development plans with Natives, drawing upon all available resources.

- Act as a funder of last resort in paying third parties for services or supports, where no other source is available and the absence of funds would prevent the achievement of realistic goals.

- In no instance make direct payments in any form to a client.

- Review the performance of service or support agencies and work with them to improve their understanding of Native needs; and their performance in response to specific cases. The assumption is that both Natives and non-Natives have to adapt if goals are to be achieved. Services sought through the Centre must be directly related to an economic development payoff.

- Promote news media and public awareness of Native economic achievements and honor those contributing to the success of this process, both Native and non-Native.

A majority of Canadians depend on a continuing flow of earned income for their economic survival and satisfaction. Social stability depends on that current flow being sustained. Only a minority of Metis and non-status Indians earn or have access to such an income stream. This fact is contributing to hardship for Natives and to concerns about social disharmony. The Native Development Centre is one possible means to increase Native incomes.